



**KRIEGEL/GRAY/SHAW & CO., P.C.**

2452 Missouri Ave., P.O. Box 2707, Las Cruces, New Mexico 88004 • Phone: (575) 523-7444, Fax: (575) 527-0872

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**STATE OF NEW MEXICO**

**TOWN OF SPRINGER HOUSING AUTHORITY**

**(A COMPONENT UNIT OF THE TOWN OF SPRINGER)**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2012**

**TOWN OF SPRINGER HOUSING AUTHORITY**  
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**JUNE 30, 2012**

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**TOWN OF SPRINGER HOUSING AUTHORITY**  
**OFFICIAL ROSTER**  
**JUNE 30, 2012**

**Board of Commissioners**

<b><u>Name</u></b>	<b><u>Title</u></b>
<i>James Angel</i>	<i>Chairman</i>
<i>Samuel W. Roy, Sr.</i>	<i>Vice-Chairman</i>
<i>Rodney Hood</i>	<i>Commissioner</i>
<i>Joseph Reinel</i>	<i>Commissioner</i>
<i>Dora Tompkins</i>	<i>Commissioner</i>

**Administrative Official**

<i>Julie Martinez</i>	<i>Executive Director</i>
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**INDEPENDENT AUDITORS' REPORT**

Mr. Hector H. Balderas, State Auditor and  
To the Board of Directors  
Town of Springer Housing Authority  
(A Component Unit of the Town of Springer)  
Springer, New Mexico

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Town of Springer Housing Authority (a component unit of the Town of Springer), as of and for the year ended June 30, 2012, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. We have also audited the financial statements of the nonmajor enterprise fund and the budgetary comparisons of the Housing Authority presented as supplementary information in the individual fund financial statements as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of Town of Springer Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Springer Housing Authority, as of June 30, 2012, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly the budgetary comparisons for the major and nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2012 on our consideration of the Town of Springer Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

To the Board of Directors  
Town of Springer Housing Authority  
(A Component Unit of the Town of Springer)  
Springer, New Mexico  
Page Two

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements and the budgetary comparisons. The Financial Data Schedule listed as "other supplementary information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kriegel/Gray/Shaw & Co., P.C.*

Kriegel/Gray/Shaw & Co., P.C.

November 29, 2012

**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

The following is an analysis for the Springer Housing Authority's financial performance. It is to provide the reader with an overview to the Authority's financial activities for the fiscal year ended June 30, 2012. The information contained here in this MD&A should be considered in conjunction with the Authority's basic financial statements.

**Financial Highlights**

- The Springer Housing Authority's total assets decreased from \$975,607 to \$863,425 a decrease of \$112,182 or 11.50%.
- The net asset's balance decreased from \$946,551 to \$835,037 at June 30, 2012. This represents a decrease of \$111,514 or 11.78% from the previous year. The unrestricted net asset balance decreased from \$271,515 to \$256,170, a decrease of \$15,345 or 5.65%.
- Revenues decreased from \$398,746 to \$302,440 a decrease of \$96,306 or 24.15% from the previous year.
- Total expenses decreased by \$23,804, from \$437,758 to \$413,954 for the current year. This represents an increase of 5.44%.

**Using this Annual Report**

This annual report consists of basic financial statements and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Authority's financial performance and activities for the year ended June 30, 2012. The basic statements provide readers with a broad overview of the Authority's finances. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

1. The Statement of Net Assets provides information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial situation of the Authority is improving.
2. The Statement of Activities presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
3. The Statement of Cash Flows presents information showing how the Authority's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
JUNE 30, 2012

The agency has two individual programs. These include the Low Rent Housing Program and the Capital Fund Program.

- The Low Rent Housing Program consists of the 56 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. Tenants typically pay dwelling rent, which is based on a formula that equates to 30 percent of the tenant's adjusted gross income.
- The Capital Fund program is also funded from HUD based on a formula. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

**Housing Authority Activities & Highlights**

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the years ended June 30, 2012 and June 30, 2011.

**Statement of Net Assets-Condensed**  
**FYE June 30**

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Dollar Change</u>
Current Assets	\$272,064	\$288,402	(\$16,338)
Noncurrent Assets	12,494	12,169	325
Capital Assets (Net of Depreciation)	578,867	675,036	(96,169)
<i>Total Assets</i>	863,425	975,607	(112,182)
Current Liabilities	14,013	14,859	(846)
Long Term Liabilities	14,375	14,197	178
<i>Total Liabilities</i>	28,388	29,056	(668)
Restricted Net assets	0	0	0
Unrestricted Net Assets	256,170	271,515	(15,345)
Investment in Net Capital Assets	578,867	675,036	(96,169)
<i>Total Net Assets</i>	\$835,037	\$946,551	(\$111,514)

*Cash & Investments*

Unrestricted cash and investments totaled \$253,351, an increase of \$16,191 from the previous year.

**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

*Current Assets*

Current assets decreased 5.67% from \$288,402 to \$272,064 due primarily to a decrease in amounts due from HUD at year end.

*Current Liabilities*

Current liabilities decreased from \$14,859 to \$14,013 or 5.69%. This decrease was primarily the result of an increase in wages payable of \$1,545 offset by decreases in accrued liabilities of \$2,012 and the current portion of accrued compensated absences of \$503.

*Net Assets*

The total net asset balance decreased from \$946,551 to \$835,037 at June 30, 2012. Unrestricted net assets are the amount of available funds for future appropriations. These funds are reserved for expenditures of the actual program. The Authority's unrestricted net assets total \$256,170, a decrease of \$15,345 from the previous year.

**Statement of Revenues & Expenses**  
**FYE June 30**

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Dollar Change</u>
Rental Revenue	\$135,216	\$124,567	\$10,649
HUD Operating Grants	131,427	142,791	(11,364)
Capital Grants	35,180	127,913	(92,733)
Interest Income	261	189	72
Other Revenue	356	3,286	(2,930)
<i>Total Revenue</i>	<i>302,440</i>	<i>398,746</i>	<i>(96,306)</i>
Personnel	175,139	186,914	(11,775)
Operating	142,646	159,688	(17,042)
Depreciation	96,169	91,157	5,012
<i>Total Expenses</i>	<i>413,954</i>	<i>437,759</i>	<i>(23,805)</i>
<i>Excess of Revenue over Expenses</i>	<i>(\$111,514)</i>	<i>(\$39,013)</i>	<i>(\$72,501)</i>

*Results of Operations*

Operating revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenues decreased by \$96,306. Total expenses decreased by \$23,805 from the previous year. Revenues decreased from the previous year principally due to the decreased activity noted in the CFP Program, as well as a decrease in HUD operating grants. Expenses decreased from the previous year principally due to a decrease in personnel and operating costs.



**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

*Budgets*

There were no budget adjustments during the year consistent with the HUD budgeting process.

*Capital Assets*

As of June 30, 2012, the Springer Housing Authority's investment in capital assets was \$578,867. This investment includes land, building, building improvements, office equipment, and maintenance equipment.

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Dollar Change</u>
Land	\$41,101	\$41,101	\$0
Construction in process	0	0	0
Buildings	2,531,535	2,531,535	0
Equipment	117,601	117,601	0
Non-dwelling Structures	233,193	233,193	0
Accumulated Depreciation	(2,344,563)	(2,248,394)	(96,169)
<i>Total Net Fixed Assets</i>	<i>\$578,867</i>	<i>\$675,036</i>	<i>(\$96,169)</i>

Depreciation expense was \$96,169.

No significant changes in financial position or results of operations are anticipated for the fiscal year ending June 30, 2012.

**Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Springer Housing Authority  
Julie Martinez, Executive Director  
P.O. Box 207  
Springer, New Mexico 87747

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## PROPRIETARY FUNDS

### STATEMENTS OF NET ASSETS

JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$180,713	\$0	\$180,713
Investments	72,638	0	72,638
Prepaid insurance	8,316	0	8,316
Tenant receivable - net of allowance	749	0	749
Interest receivable	307	0	307
Inventory	9,341	0	9,341
<i>Total current assets</i>	<i>272,064</i>	<i>0</i>	<i>272,064</i>
<b>Noncurrent Assets:</b>			
Restricted cash	12,494	0	12,494
Net capital assets	535,741	43,126	578,867
<i>Total noncurrent assets</i>	<i>548,235</i>	<i>43,126</i>	<i>591,361</i>
<b>Total assets</b>	<b>\$820,299</b>	<b>\$43,126</b>	<b>\$863,425</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$2,436	\$0	\$2,436
Accrued Liabilities	3,852	0	3,852
Wages payable	4,733	0	4,733
Prepaid rent	50	0	50
Accrued compensated absences - current portion	2,942	0	2,942
<i>Total current liabilities</i>	<i>14,013</i>	<i>0</i>	<i>14,013</i>
<b>Long-term Liabilities:</b>			
Accrued compensated absences	1,881	0	1,881
Tenant security deposits	12,494	0	12,494
<i>Total liabilities</i>	<i>28,388</i>	<i>0</i>	<i>28,388</i>
<b>Net Assets:</b>			
Invested in capital assets	535,741	43,126	578,867
Restricted net assets	0	0	0
Unrestricted	256,170	0	256,170
<i>Total net assets</i>	<i>791,911</i>	<i>43,126</i>	<i>835,037</i>
<b>Total liabilities and net assets</b>	<b>\$820,299</b>	<b>\$43,126</b>	<b>\$863,425</b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## PROPRIETARY FUNDS

### STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>OPERATING REVENUES:</b>			
Rental income	\$135,216	\$0	\$135,216
Other revenue	356	0	356
<i>Total operating revenues</i>	<u>135,572</u>	<u>0</u>	<u>135,572</u>
<b>OPERATING EXPENSES:</b>			
Personnel	175,139	0	175,139
Operating	123,058	19,588	142,646
Depreciation	87,476	8,693	96,169
<i>Total operating expenses</i>	<u>385,673</u>	<u>28,281</u>	<u>413,954</u>
<i>Net operating income (loss)</i>	(250,101)	(28,281)	(278,382)
<b>NON-OPERATING REVENUE AND (EXPENSES)</b>			
HUD operating subsidy/capital grants	131,427	35,180	166,607
Interest	261	0	261
Gain/loss on asset	0	0	0
<i>Total non-operating revenue and (expenses)</i>	<u>131,688</u>	<u>35,180</u>	<u>166,868</u>
<i>Income (loss) before transfers</i>	(118,413)	6,899	(111,514)
Transfers in (out)	15,592	(15,592)	0
Capital transfers in (out)	204,694	(204,694)	0
	<u>220,286</u>	<u>(220,286)</u>	<u>0</u>
<i>Change in net assets</i>	101,873	(213,387)	(111,514)
Net assets - beginning of year	690,038	256,513	946,551
<b>Total net assets, June 30, 2012</b>	<b><u>\$791,911</u></b>	<b><u>\$43,126</u></b>	<b><u>\$835,037</u></b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## PROPRIETARY FUNDS

### STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund	
		CFP	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers (including other funds)	\$134,594	\$0	\$134,594
Cash paid to suppliers	(125,926)	(19,588)	(145,514)
Cash paid to employees	(174,244)	0	(174,244)
<i>Net cash provided (used) by operating activities</i>	<u>(165,576)</u>	<u>(19,588)</u>	<u>(185,164)</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Grants - subsidies	166,142	0	166,142
Transfers in (out)	15,592	(15,592)	0
Security deposits	325	0	325
<i>Net cash provided (used) by non capital financing activities</i>	<u>182,059</u>	<u>(15,592)</u>	<u>166,467</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital grant	0	35,180	35,180
Purchase of capital assets	0	0	0
Book value of assets deleted	0	0	0
Disposition of assets	0	0	0
<i>Net cash provided (used) by capital and related financing activities</i>	<u>0</u>	<u>35,180</u>	<u>35,180</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of Certificates of Deposit	(72,638)	0	(72,638)
Interest received	33	0	33
<i>Net cash provided (used) by investing financing activities</i>	<u>(72,605)</u>	<u>0</u>	<u>(72,605)</u>
<i>Net increase (decrease) in pooled cash and investments</i>	(56,122)	0	(56,122)
Cash and cash equivalents, beginning of year	249,329	0	249,329
<b><i>Cash and cash equivalents, end of year</i></b>	<b><u>\$193,207</u></b>	<b><u>\$0</u></b>	<b><u>\$193,207</u></b>

The Notes to Financial Statements are an integral part of these statements.

**TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

PROPRIETARY FUNDS

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	(\$250,101)	(\$28,281)	(\$278,382)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	87,476	8,693	96,169
Change in assets and liabilities:			
Accounts receivable	(595)	0	(595)
Deferred revenue	0	0	0
Inventory	(110)	0	(110)
Prepaid expenses	(1,253)	0	(1,253)
Tenants prepaid rent	(383)	0	(383)
Accounts and contracts payable	(1,505)	0	(1,505)
Accrued payroll	1,545	0	1,545
Accrued compensated absences	(650)	0	(650)
<i>Total adjustments</i>	84,525	8,693	93,218
<b><i>Net cash provided (used) by operating activities</i></b>	<b><i>(\$165,576)</i></b>	<b><i>(\$19,588)</i></b>	<b><i>(\$185,164)</i></b>

The Notes to Financial Statements are an integral part of these statements.

# **TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The function of the Town of Springer Housing Authority is to administer the Housing and Urban Development (HUD) programs to provide housing for qualified individuals in the Town of Springer Area.

This funding is provided through various grant programs.

The financial statements of the Town of Springer Housing Authority (Housing Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town of Springer Housing Authority's most significant accounting policies are described below.

### **Reporting Entity**

The Housing Authority is a component unit of the Town of Springer. The accompanying financial statements present only the Town of Springer Housing Authority's financial information.

The Town of Springer Housing Authority is a Town organization created by Town Ordinance to provide housing for qualified Town residents. The Town has the ability to appoint management, influence operations, and influence the disposition of funds.

The Town of Springer Housing Authority has no component units.

### **Basis of Presentation**

For financial reporting purposes, the accounts of the Town of Springer Housing Authority are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings, revenues and expenses as appropriate. The various funds are summarized by type in the financial statements. All programs have been accounted for as proprietary funds under the HUD UFRS guidelines.

### **Proprietary Fund Type**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including amortization and depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary activities have applied all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB statements and Interpretations, APB opinions, and ARB's of Committee on Accounting Procedure. FASB statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, have also been applied.

**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2012

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Proprietary Funds are as follows:

Low Income Housing Project – To account for the rental activities of the Town-owned low income housing project.

Public Housing Capital Fund Program – To account for HUD’s Public Housing Capital Fund Program, which replaces CIAP and CGP. Provides funds for capital improvements for Housing Authority-owned housing.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The financial statements of the Town of Springer Housing Authority are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary fund types are reported on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Grant revenue is recognized as soon as all eligibility requirements imposed by the provider have been met.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**Budgets and Budgetary Accounting**

The Housing Authority adopts budgets for Proprietary Funds in accordance with the Housing and Urban Development program agreements.

Budgetary Compliance – Budgetary control is required to be maintained at the individual fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

Budget Amendments – Budget increases and decreases can only be accomplished by Commission resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

Budgetary Basis – State law prescribes that the Town’s budget be prepared on the basis of cash receipts and cash expenses. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenses with a cash basis budget as amended.

**Income Taxes**

As a local government entity, the Town is not subject to federal or state income taxes.

**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2012

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Compensated Absences**

The Town allows employees to accrue annual leave based on years of service. Upon termination, accrued annual leave is paid in full. Employees are eligible to be paid half of their accrued sick leave up to 240 hours upon termination.

The accrual for compensated absences made as of June 30, 2012 is \$4,823.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows the proprietary fund considers all highly liquid investments to be cash equivalents.

**Interfund Transactions**

There are transactions that constitute reimbursements to a fund for expenditures initially expended from one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Interfund payables and receivables are reflected in the appropriate fund.

**Capital Assets**

Purchase or constructed capital assets are reported at cost or estimated historical cost. The Housing Authority defines capital assets as assets with lives of greater than one-year and a cost or donated value of \$5,000 or greater.

Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives'</u>
Buildings	40
Non Dwelling Structures	15
Machinery and Equipment	5 – 7

Software is capitalized in the machinery and equipment category.

**Inventory**

Inventory is valued at cost, which approximates market using the first-in/first-out (FIFO) method. Inventory is recorded as expenditures when consumed rather than when purchased.



**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 2. CASH AND INVESTMENTS**

Cash consists of United States currency and financial institution checking accounts. The Housing Authority follows state law in regard to deposits and investments. At June 30, 2012, the Housing Authority held only short term certificates of deposit and therefore, they were shown as cash equivalents.

All financial institutions in which the Housing Authority has an account are covered by Federal Deposit Insurance Corporation (FDIC) insurance.

**Cash on Deposit**

	Bank Balance	Carrying Amounts
<b><u>Wells Fargo Bank</u></b>		
Public Fund – regular checking	\$180,867	\$180,713
Public Fund – interest checking	12,347	12,494
CFP – regular checking	(7)	0
Certificate of deposit – investments	39,422	39,422
Certificate of deposit – investments	33,216	33,216
<i>Total cash on deposit</i>	265,845	265,845
Less certificates of deposit – shown as investments		(72,638)
Petty cash		0
<i>Total cash</i>		\$193,207

<b><u>Investments</u></b>	WAM	Cost	Market Value
Certificates of deposit		\$39,422	\$39,422
Certificates of deposit		33,216	33,216
<i>Total investments</i>	360 days	\$72,638	\$72,638

There were no uninsured bank deposits (not covered by F.D.I.C).

	Wells Fargo Bank
Amount held in bank	\$265,845
Less F.D.I.C.	(265,845)
<i>Amount uninsured</i>	\$0
100% Collateral requirement	\$0

**TOWN OF SPRINGER HOUSING AUTHORITY**  
(A Component Unit of the Town of Springer)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 3. ACCOUNTS RECEIVABLE AND MORTGAGES RECEIVABLE**

Accounts receivable are reported at their gross value. Those amounts considered doubtful have been recorded as allowance for doubtful accounts in the amount of \$954.

**NOTE 4. CHANGES IN CAPITAL ASSETS**

Capital Assets are stated at historical cost. The following is a summary of changes in Capital Assets for the fiscal year in the proprietary funds:

	Balance June 30, 2011	Additions	Disposals	Balance June 30, 2012
<b>Non Depreciable Assets:</b>				
Land	\$41,101	\$0	\$0	\$41,101
<b>Depreciable Assets:</b>				
Buildings	2,531,535	0	0	2,531,535
Non dwelling structures	233,193	0	0	233,193
Machinery and equipment	117,601	0	0	117,601
<i>Total</i>	2,923,430	0	0	2,923,430
<b>Less Accumulated Depreciation:</b>				
Buildings	(2,077,272)	(75,053)	0	(2,152,325)
Non dwelling structures	(95,557)	(11,598)	0	(107,155)
Machinery and equipment	(75,565)	(9,518)	0	(85,083)
<i>Total accumulated depreciation</i>	(2,248,394)	(96,169)	0	(2,344,563)
<i>Net capital assets</i>	\$675,036	(\$96,169)	\$0	\$578,867

Depreciation expense for the year was \$96,169.

**NOTE 5. NET ASSETS**

The unrestricted net assets represent the amounts available for budgeting future operations (i.e., current).

**Net Assets**

Net assets are displayed in three components:

**Invested in Capital Assets, net of related debt** – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Assets** – Net assets are reported as restricted when constraints placed on net asset use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Assets** – Net assets that do not meet the definition of “restricted” and “Invested in capital assets, net of related debt.”

**TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

**NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 2012

**NOTE 6. PARTICIPATION IN PUBLIC ENTITY RISK POOL**

The Town is a member of the New Mexico Self-Insurers' Fund (the "Fund"). The Fund was created to formulate, develop, and administer a program of modified self-funding for the Fund's membership, obtain lower costs for insurance coverage, and develop a comprehensive loss control program. The Town pays an annual premium to the Fund for its workers' compensation liability, general liability, auto liability, auto physical damage, and property coverage. The Town's agreement with the Fund provides that the Fund will be self-sustaining through member premiums, and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member cities.

**NOTE 7. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

A. <b>Net Working Capital:</b>	
Proprietary Funds	\$258,051

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**NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

The Housing Authority employees participate in a public employee retirement system through the Town of Springer. For further disclosures, see the Town of Springer's financial statements.

**NOTE 9. TRANSFERS AND DUE FROM/TO OTHER FUNDS**

Transfers between funds were as follows:

<b>Operating Transfers In:</b>	<b>Operating Transfers Out</b>		<b>Totals</b>
	Low Rent	CFP	
Low Rent	\$0	\$15,592	\$15,592
CFP	0	0	0
<i>Total</i>	\$0	\$15,592	\$15,592

Transfers are used to move the portion of CFP funding allotted for operating expenditures to the Low Rent Fund.

<b>Capital Transfers In:</b>	<b>Capital Transfers Out</b>		<b>Totals</b>
	Low Rent	CFP	
Low Rent	\$0	\$204,694	\$204,694
CFP	0	0	0
<i>Total</i>	\$0	\$204,694	\$204,694

Capital transfers arose from the purchase or construction of capital assets in one fund, which were then transferred to another fund where they are being utilized.

**TOWN OF SPRINGER HOUSING AUTHORITY**  
 (A Component Unit of the Town of Springer)  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2012

**NOTE 10. CHANGES IN ACCRUED COMPENSATED ABSENCES**

The following summarized the changes in accrued compensated absences during 2012:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012	Amount Due Within One Year
Accrued compensated absences	\$5,473	\$6,894	\$7,544	\$4,823	\$2,942

**NOTE 11. SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 29, 2012, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## LOW RENT

### PROPRIETARY FUND

#### STATEMENT OF REVENUES AND EXPENSES

BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Rental income	\$134,490	\$134,490	\$134,239	(\$251)
Other	7,830	7,830	356	(7,474)
<i>Total revenues</i>	<u>142,320</u>	<u>142,320</u>	<u>134,595</u>	<u>(7,725)</u>
<b>OPERATING EXPENSES:</b>				
Tenant services	300	300	0	300
Personnel	167,200	167,200	174,244	(7,044)
Admin expenses	17,510	17,510	18,809	(1,299)
Operating and maintenance	37,190	37,190	36,643	547
Capital outlay	0	0	0	0
Utilities	72,800	72,800	70,475	2,325
<i>Total operating expenses</i>	<u>295,000</u>	<u>295,000</u>	<u>300,171</u>	<u>(5,171) *</u>
<i>Operating income (loss)</i>	<u>(152,680)</u>	<u>(152,680)</u>	<u>(165,576)</u>	<u>(12,896)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	131,427	131,427	166,142	34,715
Interest	370	370	33	(337)
Transfers in	15,600	15,600	15,592	(8)
<i>Total non-operating revenue (expenses)</i>	<u>147,397</u>	<u>147,397</u>	<u>181,767</u>	<u>34,370</u>
<i>Net income</i>	<u>(\$5,283)</u>	<u>(\$5,283)</u>	<u>\$16,191</u>	<u>\$21,474</u>

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$16,191
Adjustments for revenue accruals, transfers, earnings on investments	171,185
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(85,503)
<b>Change in net assets (GAAP basis)</b>	<b>\$101,873</b>

\*The Housing Authority adopts budgets in accordance with the Housing and Urban Development program agreements. The budget serves only as a guideline.

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2006

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	0	0	0	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	0	0	0	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(39,046)
<b>Change in net assets (GAAP basis)</b>	<b>(\$39,046)</b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2007

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	0	0	0	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	0	0	0	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(57,139)
<b>Change in net assets (GAAP basis)</b>	<b>(\$57,139)</b>

The Notes to Financial Statements are an integral part of these statements.



# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2009

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES

BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	995	995	995	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	995	995	995	0
<i>Operating income (loss)</i>	(995)	(995)	(995)	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	995	995	995	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	995	995	995	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(8,368)
<b>Change in net assets (GAAP basis)</b>	<b>(\$8,368)</b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - ARRA GRANT

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES

BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	0	0	0	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	0	0	0	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(108,509)
<b>Change in net assets (GAAP basis)</b>	<b>(\$108,509)</b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2010

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	12,593	12,593	12,593	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	12,593	12,593	12,593	0
<i>Operating income (loss)</i>	(12,593)	(12,593)	(12,593)	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	12,593	12,593	12,593	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	12,593	12,593	12,593	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(325)
<b>Change in net assets (GAAP basis)</b>	<b>(\$325)</b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2011

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	6,000	6,000	6,000	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	6,000	6,000	6,000	0
<i>Operating income (loss)</i>	(6,000)	(6,000)	(6,000)	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	21,592	21,592	21,592	0
Interest	0	0	0	0
Transfers (out)	(15,592)	(15,592)	(15,592)	0
<i>Total non-operating revenue (expenses)</i>	6,000	6,000	6,000	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	0
<b>Change in net assets (GAAP basis)</b>	<b>\$0</b>

The Notes to Financial Statements are an integral part of these statements.

**OTHER SUPPLEMENTARY INFORMATION**

Housing Authority of the Town of Springer  
Springer, NM  
Financial Data Schedule  
6/30/2012

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	180,713	-	180,713
113	Cash - Other Restricted	-	-	-
114	Cash - Tenant Security Deposits	12,494	-	12,494
100	Total Cash	<u>193,207</u>	-	<u>193,207</u>
121	Accounts Receivable - PHA Projects	-	-	-
124	Accounts Receivable - Other Government	-	-	-
125	Accounts Receivable - Miscellaneous	307	-	307
126	Accounts Receivable - Tenants	1,702	-	1,702
126.1	Allowance for Doubtful Accts - Tenants	(953)	-	(953)
126.2	Allowance for Doubtful Accts - Other	-	-	-
128	Fraud Recovery	-	-	-
128.1	Allowance for Doubtful Accts - Fraud	-	-	-
120	Total Receivables, Net of Allowance for Doubtfull Accts	<u>1,056</u>	-	<u>1,056</u>
131	Investments - Unrestricted	72,638	-	72,638
132	Investments - Restricted	-	-	-
142	Prepaid Expenses and Other Assets	8,316	-	8,316
143	Inventories	10,379	-	10,379
143.1	Allowance for Obsolete Inventories	(1,038)	-	(1,038)
150	Total Current Assets	<u>284,558</u>	-	<u>284,558</u>
161	Land	41,101	-	41,101
162	Buildings	2,526,593	4,942	2,531,535
163	Furniture, Equipment & Machinery - Dwellings	218,192	15,000	233,192
164	Furniture, Equipment & Machinery - Administration	80,787	36,814	117,601
165	Leasehold Improvements	-	-	-
166	Accumulated Depreciation	(2,330,932)	(13,630)	(2,344,562)
167	Construction in Progress	-	-	-
168	Infrastructure	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	<u>535,741</u>	<u>43,126</u>	<u>578,867</u>
180	Total Non-Current Assets	<u>535,741</u>	<u>43,126</u>	<u>578,867</u>
<b>190</b>	<b>Total Assets</b>	<b><u>820,299</u></b>	<b><u>43,126</u></b>	<b><u>863,425</u></b>
311	Bank Overdraft	-	-	-
312	Accounts Payable <= 90 Days	2,436	-	2,436
322	Accrued Compensated Absences - Current Portion	2,942	-	2,942
341	Tenant Security Deposits	12,494	-	12,494
346	Accrued Liabilities - Other	8,635	-	8,635
310	Total Current Liabilities	<u>26,507</u>	-	<u>26,507</u>
354	Accrued Compensated Absences - Non Current	1,881	-	1,881
350	Total Noncurrent Liabilities	<u>1,881</u>	-	<u>1,881</u>
300	Total Liabilities	<u>28,388</u>	-	<u>28,388</u>

Housing Authority of the Town of Springer  
Springer, NM  
Financial Data Schedule  
6/30/2012

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
508.1	Invested in Capital Assets, Net of Related Debt	535,741	43,126	578,867
511.1	Restricted Net Assets	-	-	-
512.1	Unrestricted Net Assets	256,170	-	256,170
513	Total Equity/Net Assets	791,911	43,126	835,037
<b>600</b>	<b>Total Liabilities and Equity/Net Assets</b>	<b>820,299</b>	<b>43,126</b>	<b>863,425</b>
70300	Net Tenant Rental Revenue	134,871	-	134,871
70400	Tenant Revenue - Other	701	-	701
70500	Total Tenant Revenue	135,572	-	135,572
70600	HUD PHA Operating Grants	131,427	-	131,427
70610	Capital Grants	-	35,180	35,180
70700	Total Fee Revenue	131,427	35,180	166,607
71100	Investment Income - Unrestricted	261	-	261
71400	Fraud Recovery	-	-	-
71500	Other Revenue	-	-	-
70000	Total Revenue	267,260	35,180	302,440
91100	Administrative Salaries	54,441	-	54,441
91200	Auditing Fees	409	6,000	6,409
91300	Management Fees	-	-	-
91310	Bookkeeping Fee	3,138	-	3,138
91400	Advertising & Marketing	-	-	-
91500	Employee Benefit Contributions - Administrative	18,386	-	18,386
91600	Office Expenses	10,065	-	10,065
91700	Legal Expenses	3,205	-	3,205
91800	Travel	242	-	242
91900	Other	1,132	-	1,132
91000	Total Operating - Administrative	91,018	6,000	97,018
92400	Tenant Services - Other	-	-	-
92500	Total Tenant Services	-	-	-
93100	Water	10,581	-	10,581
93200	Electricity	1,774	-	1,774
93300	Gas	39,058	-	39,058
93600	Sewer	17,038	-	17,038
93800	Other Utilities	-	-	-
93000	Total Utilities	68,451	-	68,451
94100	Ordinary Maintenance and Operations - Labor	76,876	-	76,876
94200	Ordinary Maintenance and Operations - Materials & Other	16,497	13,588	30,085
94300	Ordinary Maint and Operations - Contract Costs	744	-	744
94500	Employee Benefit Contributions - Ordinary Maintenance	18,543	-	18,543
94000	Total Maintenance	112,660	13,588	126,248

Housing Authority of the Town of Springer  
Springer, NM  
Financial Data Schedule  
6/30/2012

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
96110	Property Insurance	4,722	-	4,722
96120	Liability Insurance	3,304	-	3,304
96130	Workmen's Compensation	5,252	-	5,252
96140	All Other Insurance	4,453	-	4,453
96100	Total Insurance Premiums	<u>17,731</u>	-	<u>17,731</u>
96200	Other General Expenses	498	-	498
96210	Compensated Absences	6,894	-	6,894
96300	Payments in Lieu of Taxes	-	-	-
96400	Bad debt - Tenant Rents	945	-	945
96000	Total Other General Expenses	<u>8,337</u>	-	<u>8,337</u>
96900	Total Operating Expenses	<u>298,197</u>	<u>19,588</u>	<u>317,785</u>
97000	Excess Operating Revenue over Operating Expenses	(30,937)	15,592	(15,345)
97400	Depreciation Expense	<u>87,476</u>	<u>8,693</u>	<u>96,169</u>
90000	Total Expenses	<u>385,673</u>	<u>28,281</u>	<u>413,954</u>
10010	Operating Transfers In	15,592	-	15,592
10020	Operating Transfers Out	-	(15,592)	(15,592)
10100	Total Other Financing Sources (Uses)	15,592	(15,592)	-
<b>10000</b>	<b>Excess (Deficiency) of Total Rev Over (Under) Total Exp</b>	<u><b>(102,821)</b></u>	<u><b>(8,693)</b></u>	<u><b>(111,514)</b></u>
11030	Beginning Equity	\$ 690,038	\$ 256,513	\$ 946,551
11040	Prior Period Adj, Equity Transfers, Correction of Errors	\$ 204,694	\$ (204,694)	\$ -
11050	Changes in Compensated Absence Balance	\$ 2,192	\$ -	\$ 2,192
11190	Unit Months Available	672	-	672
11210	Number of Unit Months Leased	639	-	639





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mr. Hector H. Balderas, State Auditor and  
To the Board of Directors  
Town of Springer Housing Authority  
(A Component Unit of the Town of Springer)  
Springer, New Mexico

We have audited the financial statements of the business-type activities, each major fund and the aggregate remaining fund information and the related budgetary comparisons presented as supplementary information of Town of Springer Housing Authority (a component unit of the Town of Springer), as of and for the year ended June 30, 2012, and have issued our report thereon dated November 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of Town of Springer Housing Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Town of Springer Housing Authority's internal control over financial reporting as a basis for designating our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Springer Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Springer Housing Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Mr. Hector H. Balderas, State Auditor and  
To the Board of Directors  
Town of Springer Housing Authority  
(A Component Unit of the Town of Springer)  
Springer, New Mexico  
Page Two

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Springer Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, the Town of Springer, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kriegel/Gray/Shaw & Co., P.C.*

Kriegel/Gray/Shaw & Co., P.C.

November 29, 2012

**TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**CURRENT YEAR SIGNIFICANT DEFICIENCIES:**

None.

**CURRENT STATUS ON PRIOR YEAR FINDINGS:**

**2010-01 – Unable to Locate Petty Cash Fund**

None.

# **TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

**EXIT CONFERENCE**

**JUNE 30, 2012**

## **EXIT CONFERENCE:**

The exit conference was held October 26, 2012 and was attended by the following:

### **From the Town of Springer Housing Authority:**

James Angel, Chairman, Board of Commissioners

Julie Martinez, Executive Director

### **From Kriegel/Gray/Shaw & Co., P.C.:**

Ken Shaw, CPA/Shareholder

Kristi Granados, CPA/Staff Auditor

## **FINANCIAL STATEMENTS PREPARATION**

The financial statements were prepared by Kriegel/Gray/Shaw & Co., P.C.